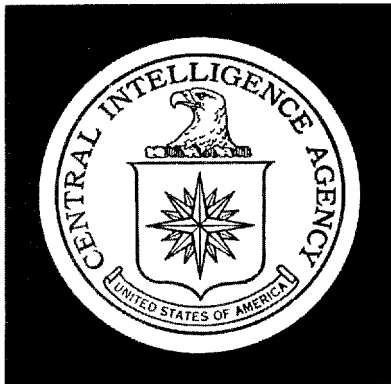


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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Dept. review completed

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ARMY review(s) completed.

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HIGHLIGHTS

Heavy fighting has again flared up in Operation JUNCTION CITY with a Communist attack on a US patrol in Tay Ninh Province. South Vietnam's Armed Forces Congress is reportedly meeting late today to exchange views on the respective presidential qualifications of Premier Ky and Chief of State Thieu.

I. The Military Situation in South Vietnam:

Heavy fighting has again flared between US and Communist troops in northern Tay Ninh Province (Paras. 1-3). Dissension between northern and southern Communist troops may exist in South Vietnam's IV Corps area (Paras. 4-8).

II. Political Developments in South Vietnam: The Congress of the Armed Forces is reportedly meeting this evening (31 March) to assess the respective merits of Premier Ky and Chief of State Thieu for the military's presidential candidate (Paras. 1-2). Phan Khac Suu, one of the civilian candidates, has expressed confidence in his chances to win the presidency (Paras. 3-5). The first phase of the village-hamlet elections will start on Sunday, 2 April (Paras. 6-8).

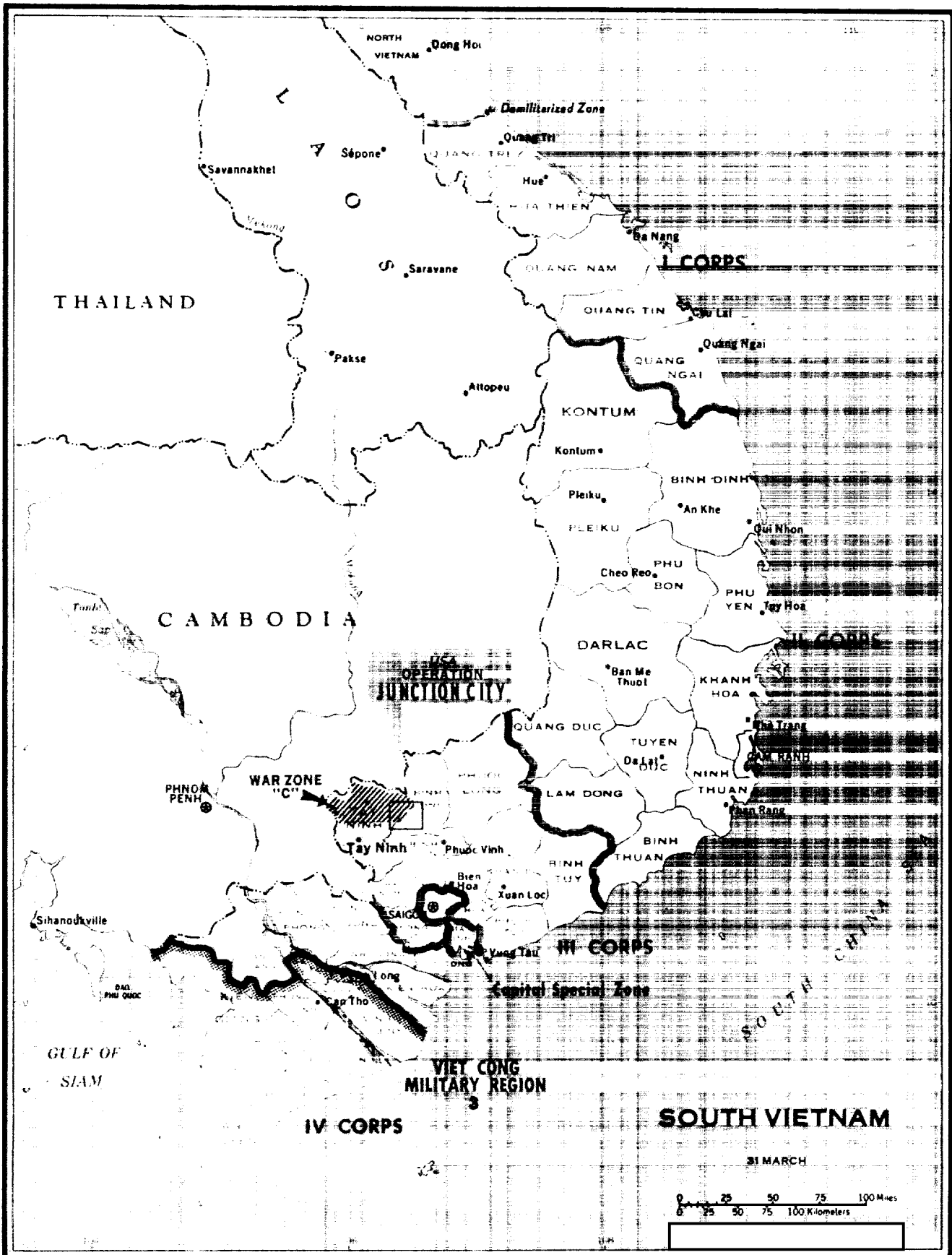
III. Military Developments in North Vietnam:

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V. Communist Political Developments: Hanoi is calling for its people to substitute vegetables for rice (Paras. 1-2).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Renewed Communist aggressiveness flared up against US forces conducting Operation JUNCTION CITY in northern Tay Ninh Province.

2. On 31 March, an estimated Viet Cong battalion attacked a US Army reconnaissance platoon sweeping an area approximately 26 miles northeast of Tay Ninh city. Three additional US infantry battalions were subsequently committed to the action, along with tactical air, armed helicopter, and artillery support. The attacking force--tentatively identified as a subordinate of the Viet Cong 70th Security Guard Regiment of COSVN (the Central Office for South Vietnam)--withdrew after nearly five hours of heavy fighting. According to preliminary casualty reports, 28 enemy troops were killed. American losses were seven killed and 42 wounded. Additional enemy losses, reported by air observers, may be confirmed as the sweep operation continues.

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This large-scale Viet Cong attack--the third in a week against JUNCTION CITY forces--may have been an effort to protect a divisional headquarters from the current advance of American forces through the eastern portion of Communist War Zone "C."

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Dissension Among Communists in Mekong Delta

4. Two Viet Cong documents, reported to have been issued recently in the Mekong Delta, provide an indication that the dissension between northern and southern Communist troops previously reported in the II and III Corps areas has extended to IV Corps. One of the documents also indicates friction among guerrilla, local force, and main force Viet Cong elements in the delta.

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5. The first document, issued in November 1966 by the Liberation Front headquarters in Military Region 3, reported that some "regrettable" instances of discrimination among Vietnamese from North, Central, and South regions had occurred in the past. The dissension was not widespread, according to the document, but was nevertheless "detrimental to our work." The second document--undated and originating with the Viet Cong Can Tho (GVN Phong Dinh) Province Committee--referred briefly to regional discrimination, without giving details, and ordered that it be stopped.

6. Although no North Vietnamese Army (NVA) units or integrated Viet Cong/NVA units are known to be operating in the IV Corps area, individual native North Vietnamese cadres have apparently assumed some leadership positions in military units and political agencies in the delta.

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7. Some of the "discrimination" referred to in the MR 3 document may also stem from resentment between those southerners whose sole experience has been in the South and other southerners who were regrouped to the North in 1954. The latter, who have had more formal military training, usually receive command positions following their return to the South.

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8. The MR 3 document also ordered cadres not to show discrimination among guerrilla, local force, and main force troops. No reason for the friction which apparently prompted this order is evident from the document, but a previously captured document--possibly originating with an agency of regional level or higher--spoke of competition for manpower between guerrillas and main force units, and of dissension caused by the latter's personnel "raids" among guerrillas and their priority in the acquisition of new recruits.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. A meeting of the Congress of the Armed Forces has been scheduled for the evening of 31 March to assess informally the individual presidential candidacies of Premier Ky and Chief of State Thieu, [REDACTED] 25X1
[REDACTED] The congress is not expected to reach a decision as to which of the two men will run. Rather, the members of the congress--some 35 generals and ten colonels--will express their opinions on the public appeal and the vote-getting potential of each man. Ky and Thieu will not be present at the discussion, but will join the group afterward to hear their views. [REDACTED] 25X1
later, the two contenders presumably will arrive at a decision privately.

2. Thieu had said earlier that his decision whether or not to run for the presidency would be deferred until after the promulgation of the constitution. Since that event is scheduled for 1 April, it is possible that a military candidate will emerge over the weekend.

Phan Khac Suu's Presidential Assessment

3. Elderly civilian presidential candidate, Phan Khac Suu, who has chaired the Constituent Assembly, recently expressed confidence to a US Embassy officer that he will win in the September election. Suu stated that he can expect considerable support from the VNQDD (Nationalist Party) in I Corps, the Hoa Hao, and Cao Dai, as well as some support from the Buddhists and Catholics.

4. The same bases of support are also claimed by Premier Ky's and Chief of State Thieu's political advisers. At this stage, there are no clear indications whom the various special interest groups actually support. Suu's contacts among the Cao Dai, of which he is a member, are already mobilizing campaign workers for him in the populous delta, [REDACTED]. 25X1

5. Suu admitted a healthy respect for the presidential chances of Tran Van Huong, prime minister under Suu in 1965, primarily because of Huong's southern background. Huong's major liabilities, he indicated, stem from his association with men such as Vo Long Trieu, the arch-southerner who resigned from Ky's cabinet last fall, who are allegedly tainted with "colonialism."

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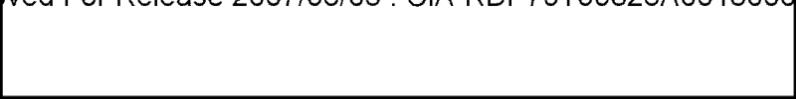
Local Elections to Begin on 2 April

6. About 30 percent of the villages in secure areas are scheduled to elect village councils on 2 April. Further elections will be held on each Sunday throughout April, and will encompass about 1,000 villages in all. They will be followed by some 4,500 hamlet elections in May and early June. Additional local elections may be held later this year in newly secured areas. There are estimated to be about 2,600 villages and 12,000 hamlets in South Vietnam.

7. The elections are being staggered over a two-month period so that provincial security forces can more easily protect voters. During the past few weeks, the Viet Cong have employed propaganda, intimidation, and some terrorism--including the assassination of at least one local candidate--to keep the rural people away from the polls. Thus far, however, reports of Communist plans to disrupt the elections are not as numerous as those received during the period preceding the Constituent Assembly elections last fall.

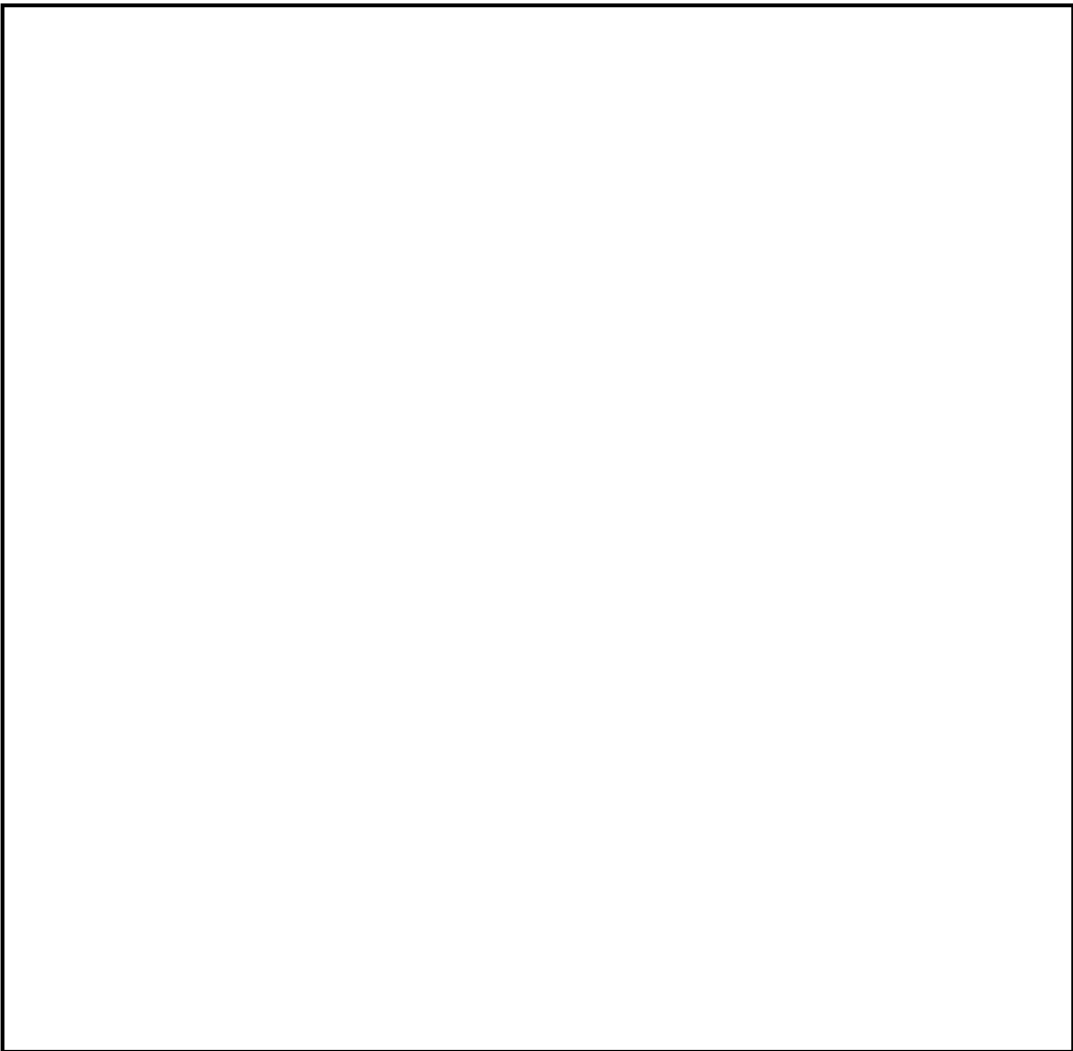
8. [redacted] government publicity and organization for the elections have been adequate, although little public enthusiasm is yet evident. The major problem has been a lack of candidates, with little more than one candidate per seat having filed thus far. One reason may be that council officials are frequently prime targets for terrorists.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

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3. A Communist notebook captured in the South and just available in translation contains details of a briefing by a high-level party official who stated that, with the advice of the North Korean Engineer Corps, the North Vietnamese had been able to recover from the "difficulties and confusion" resulting from the early US air strikes. The briefer claimed that the North Vietnamese experience since that time has enabled them to "far

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[REDACTED]

exceed" the Koreans in this field. He noted that despite the fact that North Vietnam's transportation capacity has "doubled" since 1965, "we still fail to meet the requirements of Military Region 4 and of the South." This may have been designed to reassure the southern Communists that North Vietnam intends to furnish them even greater support since available evidence indicates that Hanoi is moving adequate amounts of logistical supplies to South Vietnam.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. The DRV is calling for increased production and consumption of all types of vegetables as substitutes for rice. In a 2 March editorial, Hanoi described the need for edible vegetables as being "very great." Increased production was urged in all areas where conditions were suitable, including such marginal producing areas as city suburbs and mountain regions. Regular farming units, families, state enterprises, as well as mobile workers and cadres were urged to grow vegetables.

2. The editorial pointed out that diets composed largely of starches were using up food without providing sufficient nutrients. Eating habits that would gradually reduce dependence on starches were to be encouraged as a contribution to solving the national food problem. Substituting vegetables for part of the traditional rice diet--besides their increased nutritional value--may be an attempt on the part of Hanoi to have the population consume more locally produced foods as part of a general scheme to promote regional self-sufficiency.

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